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IN THE UNITED STATES PATENT & TRADEMARK OFFICE

IN RE APPLICATION OF :  
HIDEAKI YAMANAKA, ET AL. : EXAMINER: CHARLES, D.  
SERIAL NO: 09/729,866 :  
FILED: DECEMBER 6, 2000 : GROUP ART UNIT: 3624  
FOR: DIGITAL CONTENT BILLING :  
SYSTEM USING NETWORKS :

APPEAL BRIEF

COMMISSIONER FOR PATENTS  
ALEXANDRIA, VIRGINIA 22313

SIR:

Applicants appeal the Final Rejection of November 17, 2005.

I. REAL PARTY IN INTEREST

The real party in interest in the present application is the assignee of the present application, Mitsubishi Denki Kabushiki Kaisha, having a place of business at 2-3 Marunouchi 2-chome, Chiyoda-ku, Tokyo 100-8310, Japan.

II. RELATED APPEALS AND INTERFERENCES

Appellant, appellants' legal representative, and the assignee are not aware of any other prior and pending appeals, interferences, or judicial proceedings that may be related to, directly effect or be directly effected by, or have a bearing on the board's decision in the pending appeal.

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### III. STATUS OF CLAIMS

Claims 2-19 are pending in this application. Claim 1 was canceled.

Each of claims 2-19 stands rejected and the rejection of each of claims 2-19 is being appealed.

### IV. STATUS OF AMENDMENTS

No amendment was filed subsequent to the Final Rejection of November 17, 2005. A request for reconsideration, which did not present any claim amendments, was filed on April 7, 2006. The Advisory Action of May 1, 2006 indicated that paper would not be considered, even though it presented no amendments.

### V. SUMMARY OF CLAIMED SUBJECT MATTER

Independent claim 2, with reference to Figure 1 in the present specification as a non-limiting example, is directed to a digital content billing system using a network 2 (see also the specification at page 21, lines 1-3). A holder 3a, 3b is configured to have digital content, which is set to become usable by an execution key, and that holds a right to let a user 1a, 1b use the digital content (see also the specification at page 21, lines 10-15). A distributed server 4a, 4b obtains the digital content from the holder 3a, 3b and distributes the digital content to a user 1a, 1b (see also the specification at page 21, lines 12-14). An advertiser 5a, 5b is configured to possess an advertising information piece to be provided for the user 1a, 1b (see also the specification at page 21, lines 22-24).

Further, an administrator server 6a, 6b obtains the execution key from the holder 3a, 3b, obtains the advertising information piece from the advertiser 5a, 5b, receives an execution declaration of the digital content from the user 1a, 1b, downloads the advertising information piece and the execution key to the user 1a, 1b through the network 2, collects an advertising

rate from the advertiser 5a, 5b that corresponds to the number of execution times of the digital content used by the user 1a, 1b, and pays an execution fee to the holder 3a, 3b that corresponds to the number of execution times of digital content (see also the specification at page 21, line 26 to page 22, line 10).

Independent claim 17 recites similar features as in independent claim 2 noted above, but recites that the holder receives the advertising information piece from the advertiser, and that the advertising piece is provided from the holder to the distributor server (see the specification at page 32, lines 27-30 and page 33, line 26 to page 34, line 1).

Independent claim 19 recites similar features as in independent claim 2 noted above, although independent claim 19 recites a combination administrator server and distributor server, as shown for example as element 8a in Figure 34 in the present specification.

The digital content billing system as recited in the claims allows a user to execute desired digital content without payment. That is, as illustrated in a non-limiting embodiment in Figures 6-9, in the claimed system an administrator server builds an advertiser for advertisements seen by a user (see step ST32), collects payments of an advertisement rate corresponding to the advertisement seen by the user (see step ST33), and pays an execution fee to the holder for the digital content downloaded to the user (see step ST34).

Thereby, since the users are not paying for the digital contents, the holder's distribution of digital contents can increase. Further, the holder receives payments for the digital content from the administrator server that simply collects an advertisement rate from an advertiser instead of collecting an execution fee from each user, which may be difficult, time consuming, and resource consuming. Therefore, the claimed digital content billing system can simplify the billing for digital content, can increase reliability in the collection of fees, and can increase the distribution of digital content.

## VI. GROUND OF REJECTION

Claims 2, 3, 5-13, and 17-19 were rejected under 35 U.S.C. § 103(a) as unpatentable over U.S. patent publication No. 2001/0041053 to Abecassis, U.S. patent 6,219,788 B1 to Flavin et al. (herein "Flavin"), U.S. patent 5,740,549 to Reilly et al. (herein "Reilly"), and U.S. patent 5,629,980 to Stefik et al. (herein "Stefik").

Claim 4 was rejected under 35 U.S.C. § 103(a) as unpatentable over Abecassis, Flavin, Reilly, and Stefik as applied to claim 2, and further in view of U.S. patent 6,671,879 to Schlarb et al. (herein "Schlarb").

Claims 14-16 were rejected under 35 U.S.C. § 103(a) as unpatentable over Abecassis, Flavin, Reilly, and Stefik as applied to claim 2, and further in view of U.S. patent 5,446,919 to Wilkins.

Each of the above-noted rejections is being appealed.

## VII. ARGUMENT

Applicants respectfully submit the claims as written clearly recite features neither taught nor suggested by the applied art.

Independent claim 2 positively recites:

an administrator server for obtaining the execution key from the holder, obtain the advertising information piece from the advertiser, receiving an execution declaration of the digital content from the user, downloading the advertising information piece and the execution key to the user through the network, ***collecting an advertisement rate from the advertiser*** that corresponds to the number of execution times of a digital constant used by the user and paying an execution fee to the holder that corresponds to the number of execution times of the digital content. [Emphasis added].

First, the outstanding rejection does not establish any proper rejections as all the claim features are not even addressed.

The outstanding Final rejection does not appear to even attempt to address the feature noted above that an administrator server collects an advertisement rate from an advertiser. The outstanding Final rejection has not indicated where such a feature is taught or suggested in the prior art. In the arguments presented to maintain the rejections, those arguments are all directed to collecting fees from an *end user* rather than from an advertiser. Collecting fees from an end user is not what the claimed invention is directed to, and even in view of arguments repeatedly made the outstanding Final rejection still has not addressed the feature of collecting an advertisement rate from an advertiser.

Moreover, the "Response to Arguments" section in the Final Office Action of November 17, 2005, does not clearly address that feature. That section specifically states:

1. Applicant's arguments filed Sept. 21, 2005 have been fully considered but they are not persuasive. Stefik does indicate payment to the content holder via a computer system that clearly uses a server. Since the payment can be made via a server, regardless of the term used for the server whether it be payment server or administrator server, it *is obvious that an advertising fee collection and payment just like the content fee collection and payment is within the invention's scope*. This is discussed as per the quoted paragraph below from Stefik, col. 2, line 65 to col. 3, line 50:

While flexibility in distribution is a concern, the owners of a work want to make sure they are paid for such distributions. In U.S. Pat. No. 4,977,594 to Shear, entitled "Database Usage Metering and Protection System and Method," a system for metering and billing for usage of information distributed on a CD-ROM is described. The system requires the addition of a billing module to the computer system. The billing module may operate in a number of different ways. First, it may periodically communicate billing data to a central billing facility, whereupon *the user* may be billed. Second, billing may occur by disconnecting the billing module and the user sending it to a central billing facility where the data is read and a *user* bill generated.

(14) U.S. Pat. No. 5,247,575, Sprague et al., entitled "Information Distribution System", describes an information distribution system which provides and charges only for user selected information. A plurality of encrypted information packages (IPs) are provided at the user site, via high and/or low

density storage media and/or by broadcast transmission. Some of the IPs may be of no interest to the user. The IPs of interest are selected by the user and are decrypted and stored locally. The IPs may be printed, displayed or even copied to other storage medias. The charges for the selected IPs are accumulated within a *user apparatus* and periodically reported by telephone to a central accounting facility. The central accounting facility also issues keys to decrypt the IPs. The keys are changed periodically. If the central accounting facility has not issued a new key for a particular user station, the station is unable to retrieve information from the system when the key is changed.

(15) A system available from Wave Systems Corp. of Princeton, N.Y., provides for metering of software usage on a personal computer. The system is installed onto a computer and collects information on what software is in use, encrypts it and then transmits the information to a transaction center. From the transaction center, a bill is generated and sent to *the user*. The transaction center also maintains customer accounts so that licensing fees may be forwarded directly to the software providers. Software operating under this system must be modified so that usage can be accounted.

(16) Known techniques for billing do not provide for billing of copies made of the work. For example, if data is copied from the CD-ROM described in Shear, any subsequent use of the copy of the information cannot be metered or billed. In other words, the means for billing runs with the media rather than the underlying work. It would be desirable to have a distribution system where the means for billing is always transported with the work.<sup>1</sup>

In each instance of the art cited above *an end user* of a digital content is billed for utilizing digital content. At no portion does any cited reference disclose collecting an advertisement rate from an advertiser based on digital content used by a user.

One statement noted above in maintaining the rejection is, “it is obvious that an advertising fee collection and payment just like the content fee collection and payment is within the invention’s scope”.

That statement from the Final Office Action of November 17, 2005, is improper as it first is not explained what “invention’s scope” the Office Action is referencing. The claimed

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<sup>1</sup> Office Action of November 17, 2005, pages 2 and 3, emphasis added.

invention is directed to collecting an advertisement rate from an advertiser so that an end user is not billed for digital content distributed to the end user. None of the cited art disclose or suggest any such feature. The outstanding Final rejection appears to cite different teachings in Stefik to meet such claim limitations, but as noted above *each* of those cited disclosures in Stefik is directed to the end *user* being billed, which is exactly what the claimed invention avoids.

Addressing the Final rejection in even further detail, the Final rejection states:

Abecassis, Flavin et al. and Reilly et al. disclose(s) the claimed invention except download the advertising information piece, collect an advertisement rate from the advertiser and pay an execution fee to the holder that, corresponds to the number of execution times of the digital content. However, in col. 8, line 55 – col. 9, line 10, col. 15, lines 5-20, col. 17, lines 1-50, Stefik et al. disclose various fees for access and a fee for transactions which is an execution fee since a transaction is executed on the server. It would be obvious to one of ordinary skill in the art to modify the invention of Abecassis, Flavin et al. and Reilly et al. based on the teachings of Stefik et al. The motivation to combine these references is to ensure accurate pay-per-use pricing transactions.<sup>2</sup>

Applicants respectfully submit the above-noted basis for the rejection citing the teachings in Stefik is improper as Stefik does not disclose any features that would overcome the recognized deficiencies in Abecassis, Flavin, and Reilly. Specifically, Stefik does not address a feature of an administrator server collecting an advertising rate *from an advertiser* and paying an execution fee to a holder of digital content, in contrast to the position in the Final Office Action.

Independent claims 2, 17, and 19 recite a digital content billing system using a network, including: a holder; a distributor; an advertiser; and an administrator server. The digital content billing system recited in amended claim 2 includes an administrator server “for collecting an advertisement rate from the advertiser that corresponds to the number of

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<sup>2</sup> Office Action of November 17, 2005, the paragraph at the top of page 6.

execution times of the digital content used by the user and paying an execution fee to the holder that corresponds to the number of execution times of the digital content.” In operation, as illustrated in non-limiting illustrations in Figures 6-9, the administrator server bills the advertiser for advertisements seen by the user (see step ST32), collects payments of an advertisement rate corresponding to the advertisements seen by the user (see step ST33), and pays an execution fee to the holder for the digital content downloaded to the user (see step ST34).

The digital content billing system as recited in amended claim 2 allows the *user to execute desired digital content without payment*. Therefore, since the users are not paying for the digital content, the holder’s distribution of digital content increases. The holder receives payment for the digital content from the administrator server that simply collects an advertising rate from an advertiser instead of collecting an execution fee from each user, which is difficult, time consuming, and resource consuming. Therefore, the digital content billing system as recited in amended claim 2 simplifies the billing for digital content, increases reliability in the collection of fees, and increases the distribution of digital content. With this in mind, a more detailed comparison of the claimed invention in view of the cited references is provided.

The cited teachings in Stefik are completely unrelated to an administrative server collecting an *advertisement rate from an advertiser* and paying an execution fee to a holder of digital content. The outstanding rejection has not properly considered the teachings in Stefik.

Stefik is directed to a system for controlling use and distribution of digital works. In Stefik the owner of a digital work can attach usage rights to the work, which are granted to a buyer. Stefik specifically discloses the use of credit servers at column 17, lines 1-50, one



portion in Stefik cited in the Office Action to correspond to the claimed features. However, such credit servers in Stefik are completely unrelated to the claimed features.

Stefik specifically discloses the use of a credit server for recording and reporting the fees paid by a user for a digital work. Stefik gives one example of a simplest model in which there is a single fee at the time of purchase, after which a purchaser obtains unlimited rights to use the work as often and for as long as he or she wants.<sup>3</sup>

Thus, in Stefik the credit server merely is a way to provide payments by a user to the holder of the digital works. Such credit servers in Stefik never mention nor even elude to collecting an *advertisement rate from an advertiser*. It is unclear on what basis the outstanding rejection even cites Stefik as it does not appear any more relevant than any of the further cited art with respect to the claimed features. The broad teachings in Stefik of monitoring fees for access to a digital work has no relevance whatsoever to collecting an advertisement rate from an advertiser.

Also, as noted above, one benefit in the claimed invention is that a user can execute a digital content without payment. That is directly contrary to the entire objective of the device of Stefik. Stefik is clearly directed to allowing a user to purchase a digital work, and clearly in Stefik the user pays for that digital work. The entire objective of the device of Stefik is contrary to benefits realized by the claimed invention.

In such ways, Stefik does not teach the features relied upon in the Final Office Action as Stefik is complete silent as to collecting any type of advertisement rate from an advertiser.

Moreover, each of the teachings in Abecassis, Flavin, and Reilly also suffer from similar deficiencies, as now discussed further below.

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<sup>3</sup> See specifically Stefik at column 17, lines 8-12.

Abecassis is directed to a content on demand advertisement system, wherein the viewer is compensated for verified apparent viewing of a selected advertisement.<sup>4</sup> Abecassis simply states that a content on demand architecture can be used for advertisements in addition to movies, news, sports, and educational videos, and discloses a method for compensating *viewers* for the verified apparent viewing of the advertisement.<sup>5</sup> More specifically, a random access pointcast architecture provides the means for a viewer to select and retrieve a desired advertisement, and provides the means to *compensate the viewer* for the verified apparent viewing of the advertisement, thereby creating a transactional one to one relationship between the producer of the advertisement and viewer of the advertisement.<sup>6</sup> Further, the compensation received by the viewer may be in the form of coupons, rebates, or credits toward additional services provided by the on demand advertisement system.<sup>7</sup>

However, Abecassis does not disclose or suggest a digital content billing system including an administrator server “for collecting an advertisement rate from the advertiser that corresponds to the number of execution times of the digital content used by the user and paying an execution fee to the holder that corresponds to the number of execution times of the digital content.” Further, in the digital content billing system of amended claim 2, the user does not receive compensation from the holder, nor does the user pay the holder for the digital material. Therefore, Abecassis does not teach or suggest the digital content billing system recited in amended claim 2, which simplifies the billing of digital content, increases the reliability in the collection of fees, and increases the distribution of digital content.

Flavin is directed to a watchdog system that monitors and prevents tampering of electronic content and statistics relating to the distribution of the electronic content so that both the producers and distributors are provided with relevant and trustworthy information

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<sup>4</sup> Abecassis, Abstract.

<sup>5</sup> Abecassis, page 25, paragraph 0383-0385.

<sup>6</sup> Abecassis, page 25, paragraph 0385; page 27, paragraph 0416.

<sup>7</sup> Abecassis, page 27, paragraphs 0416-0420.

concerning the electronic content and its distribution.<sup>8</sup> The computer watchdog system of Flavin acts to ensure the just execution of agreements between the producer of the electronic content and the distributor of the electronic content.

Flavin is not directed to a digital content billing system, and thus also does not teach or suggest a digital content billing system with an administrator server “for collecting an advertisement rate from the advertiser that corresponds to the number of execution times of the digital content used by the user and paying an execution fee to the holder that corresponds to the number of execution times of the digital content,” as recited in amended claim 2. Therefore, Flavin does not cure the deficiencies as discussed above with respect to Abecassis and Stefik.

Reilly is directed to an information and advertising distribution system, wherein an information administrator in each workstation establishes communication with an information server periodically to update information items and advertisements stored in a local memory.<sup>9</sup> An information display controller in each work station displays at least a subset of the information items and advertisements stored in the local memory when the workstation meets pre-defined idleness criteria.<sup>10</sup>

However, Reilly is not directed to a digital content billing system, and also does not teach or suggest a digital content billing system with an administrator “for collecting an advertisement rate from the advertiser that corresponds to the number of execution times of the digital content used by the user and paying an execution fee to the holder that corresponds to the number of execution times of the digital content,” as recited in amended claim 2. Therefore, Reilly also does not cure the deficiencies as discussed above with respect to Abecassis, Flavin, and Stefik.

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<sup>8</sup> Flavin, column 4, lines 16-60.

<sup>9</sup> Reilly, column 2, line 61 to column 3, line 24.

<sup>10</sup> Reilly, column 2, line 61 to column 3, line 24.

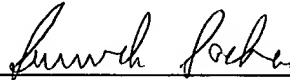
Therefore, Abecassis, Flavin, Reilly, and Stefik, either alone or in any proper combination, do not teach or suggest the above discussed features of amended claim 2. Further, the cited references of Schlarb and Wilkins have been considered, but Schlarb and Wilkins also fail to cure the deficiencies of Abecassis, Flavin, Reilly, and Stefik with regard to amended claim 2.

Independent claims 17 and 19 share substantially the same limitations as discussed above with respect to amended claim 2, and therefore are allowable for at least the same reasons as amended claim 2. Likewise claims 3-16 and 18 that depend from claims 2 and 17 are likewise allowable.

In view of these foregoing comments, applicants respectfully submit the claims as currently written clearly distinguish over the applied art, and thereby the outstanding rejections must be REVERSED.

Respectfully submitted,

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## CLAIM APPENDIX

Claim 1 (Canceled).

Claim 2 (Previously Presented): A digital content billing system using a network, comprising:

a holder having digital content, which is set to become usable by an execution key, and holding a right to let a user use the digital content;

a distributor server obtaining the digital content from the holder and distributing the digital content to a user;

an advertiser possessing an advertising information piece to be provided for the user; and

an administrator server obtaining the execution key from the holder, obtain the advertising information piece from the advertiser, receiving an execution declaration of the digital content from the user, downloading the advertising information piece and the execution key to the user through the network, collecting an advertisement rate from the advertiser that corresponds to the number of execution times of the digital content used by the user, and paying an execution fee to the holder that corresponds to the number of execution times of the digital content.

Claim 3 (Original): A digital content billing system using a network according to claim 2, wherein the advertising information piece downloaded to the user is displayed simultaneously with the digital content in cases where the user uses the digital content by using the execution key downloaded to the user.

Claim 4 (Previously Presented): A digital content billing system using a network according to claim 2, wherein the advertising information piece downloaded to the user is displayed in a time period between time periods in which the digital content is displayed in cases where the user uses the digital content by using the execution key downloaded to the user.

Claim 5 (Previously Presented): A digital content billing system using a network according to claim 2, wherein the distributor server notifies the holder of the number of download times of the digital content downloaded to the user, and the holder pays to the distributor server a download charge that corresponds to the number of download times of the digital content.

Claim 6 (Previously Presented): A digital content billing system using a network according to claim 2, wherein, when the administrator server receives the execution declaration from the user, the administrator server downloads to the user a plurality of advertising information pieces and the execution key, which permits the user to use the digital content a prescribed number of times.

Claim 7 (Previously Presented): A digital content billing system using a network according to claim 2, wherein, when the execution key is not currently downloaded to the user from the administrator server because of an abnormal state even though a prescribed time has passed after the user sent the execution declaration of the digital content, the user uses the digital content by using an execution key downloaded from the administrator server in the past while seeing an advertising information piece downloaded from the administrator server in the past.

Claim 8 (Previously Presented): A digital content billing system using a network according to claim 7, wherein after the abnormal state has passed the user notifies the administrator server that the user used the digital content by using the execution key downloaded from the administrator server in the past.

Claim 9 (Previously Presented): A digital content billing system using a network according to claim 2, wherein the advertising information piece downloaded from the administrator server to the user corresponds to content of the digital content.

Claim 10 (Previously Presented): A digital content billing system using a network according to claim 2, wherein, when the administrator server receives the execution declaration of the digital content from the user, the administrator server requires the user to select a genre of the advertising information piece to be downloaded to the user, and the advertising information piece of the selected genre is downloaded to the user.

Claim 11 (Previously Presented): A digital content billing system using a network according to claim 2, wherein, when the administrator server receives the execution of declaration of the digital content from the user, the administrator server downloads to the user the advertising information piece that corresponds to content of another digital content used by the user in the past.

Claim 12 (Previously Presented): A digital content billing system using a network according to claim 2, wherein the administrator server collects the advertisement rate from the advertiser that is determined according to a matching point between content of the digital

content related to the execution declaration of the user and content of the advertising information piece downloaded from the administrator server to the user.

Claim 13 (Previously Presented): A digital content billing system using a network according to claim 2, wherein the administrator server guarantees the advertiser a minimum number of downloading times the advertising information piece is downloaded to the user or a minimum ratio of the number of downloading times the advertising information piece is downloaded to the user to the number of downloading times of all advertising information pieces downloaded to the user.

Claim 14 (Previously Presented): A digital content billing system using a network according to claim 2, wherein, when the administrator server receives the execution declaration of the digital content from the user, the administrator server requires the user to select a residential district of the user and the administrator server downloads to the user the digital content that closely relates to the residential district of the user.

Claim 15 (Previously Presented): A digital content billing system using a network according to claim 2, wherein, when the administrator server receives the execution declaration of the digital content from the user, the administrator server downloads the digital content that closely relates to a residential district of the user and a nationwide digital content to the user.

Claim 16 (Previously Presented): A digital content billing system using a network according to claim 2, wherein, when the administrator server receives the execution declaration of the digital content from the user, the administrator server downloads to the user



the digital content closely related to a residential district of the user, which is obtained from a network operator managing the network.

Claim 17 (Previously Presented): A digital content billing system using a network, comprising:

an advertiser possessing an advertising information piece to be provided for a user;

a holder receiving the advertising information piece from the advertiser, having digital content that is set to become usable by an execution key, and holding a right to let a user use the digital content;

a distributor server obtaining from the holder the digital content that includes the advertising information piece and distributing the digital content with the advertising information piece to the user; and

an administrator server obtaining the execution key from the holder, receiving an execution declaration of the digital content from the user, downloading the execution key to the user through the network, and notifying the advertiser of the number of execution times of the digital content used by the user, wherein the holder collects an advertisement rate from the advertiser that corresponds to the number of execution times of the digital content used by the user, and the holder pays a download charge to the administrator server that corresponds to the number of download times of the execution key downloaded from the administrator server to the user.

Claim 18 (Previously Presented): A digital content billing system using a network according to claim 17, wherein the distributor server notifies the holder of the number of download times of the digital content downloaded to the user, and the holder pays a

download charge to the distributor server that corresponds to the number of download times of the digital content.

Claim 19 (Previously Presented): A digital content billing system using a network, comprising:

a holder having digital content, which is set to become usable by an execution key, and holding a right to let a user use the digital content;

an advertiser possessing an advertising information piece to be provided for a user; and

an administrator server and distributor server obtaining the digital content and the execution key from the holder, receiving the advertising information piece from the advertiser, receiving an execution declaration of the digital content from the user, downloading the digital content, the execution key and the advertising information piece to the user through the network in response to the execution declaration, collecting an advertisement rate from the advertiser that corresponds to the number of execution times of the digital content used by the user, and paying an execution fee to the holder that corresponds to the number of execution times of the digital content used by the user.

EVIDENCE APPENDIX

None.

RELATED PROCEEDINGS APPENDIX

None.